

Congress of the United States
Washington, DC 20515

February 10, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable David Obey
Chair
Committee on Appropriations
H-218, The Capitol
Washington, DC 20515

Dear Madam Speaker, Chairman Obey and Conferees:

As co-chairs of the Congressional Progressive Caucus, we write to you today to express our great concern about H.R. 1, the American Recovery and Reinvestment Bill of 2009. Simply put, the Senate-passed version will not address the urgent fiscal, social, and educational needs of this country. In fact, we fear that we may only get one bite at this apple. Therefore, we must take this opportunity to act boldly now.

With the Senate having recklessly cut more than \$100 billion from the House-passed package, our concerns are wide-ranging. We do believe, however, the most urgent attention must be paid to the following sectors:

Investing in America's Future: Children

In the Senate bill, almost half of the funding cuts come from education. This is irresponsible and short-sighted. Eliminating funding for school construction not only hurts our nation's children but it also impedes job growth. Additionally, the Senate cut funding for Head Start and Early Head Start from \$2.1 billion to \$1.05 billion. This chips away at our nation's future and places an overwhelming burden on families already feeling the strain of a bleak economy. We request that you return funding to House-passed levels.

Investing in America's States and Local Communities

Recognizing the squeeze being put on state and local governments, the House rightfully set aside assistance to ease the financial crisis at home. The Senate slashed that funding to \$39 billion, a \$40 billion reduction. States are seeing crises within education, healthcare, job training, and welfare programs. It is unclear how many states and localities will be able to function without the above mentioned funding streams.

We request that you return funding to House-passed levels.

Investing in America's Future: Homeownership

As one of the key elements in the Bush recession, the housing crisis can be felt from Wall Street to Main Street. That's why the Senate action is wrong-headed. The Senate bill zeroes out \$2.25 billion in funding for the neighborhood

stabilization program, which would have provided funds to states and localities to purchase and rehabilitate abandoned and foreclosed homes. The House allocated \$4.19 billion for the program.

We request that you return funding to House-passed levels.

Investing in America's Healthcare

As fewer Americans have access to insurance and healthcare, the House appropriately invested in immediate and preventative care. The Senate bill cuts \$5.8 billion that was directed towards grants and contracts to prevent illness through health screenings, education, immunization, nutrition counseling, media campaigns and other activities. The House has set aside \$3 billion for prevention and wellness. Furthermore, the Senate version would cut \$5 billion that is intended to help unemployed workers pay for health insurance, reducing the federal subsidy under COBRA coverage to 50% from 66%. Practically speaking, that ignores the fact that in many states the monthly amount of Unemployment Insurance benefits that newly unemployed workers will receive to pay for food and housing will be virtually wiped out by what they will have to pay to continue their health insurance coverage.

We request that you return funding to House-passed levels.

We are especially concerned that the Senate package does not invest in jobs – be they focused on “green” technology, veterans, or sustaining the local prevailing wage. While the above mentioned are just the tip of the iceberg, they are among the most urgent. As the House and Senate bills move towards conference, we urge you to stand strong and advocate for the above mentioned House-passed funding, because a bill modeled on the Senate version could be difficult for many progressives to support.

Again, we look forward to working with you to bring back balance to the recovery package.

Sincerely,



Lynn Woolsey
Co-Chair
Congressional Progressive Caucus



Raúl M. Grijalva
Co-Chair
Congressional Progressive Caucus